

Misattributed Blame? Attitudes Towards Globalization in the Age of Automation

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Motivation

Backlash against globalization in the United States and elsewhere

Economic trends make fertile grounds for protectionist rhetoric

1. Deindustrialization: Factory employment decreased by over 30% since 1980 (Bureau of Labor Statistics, 2017)
2. Job market polarization (Autor, 2010; Autor and Dorn, 2013).
3. Worker displacement and economic insecurity: Minimum-wage service sector work w/o medical and pension benefits (Iversen and Cusack, 2000; IPUMS, 2013).
4. Stagnating median household income for most for almost two decades (Shambaugh et al., 2017, Census Bureau, 2015).

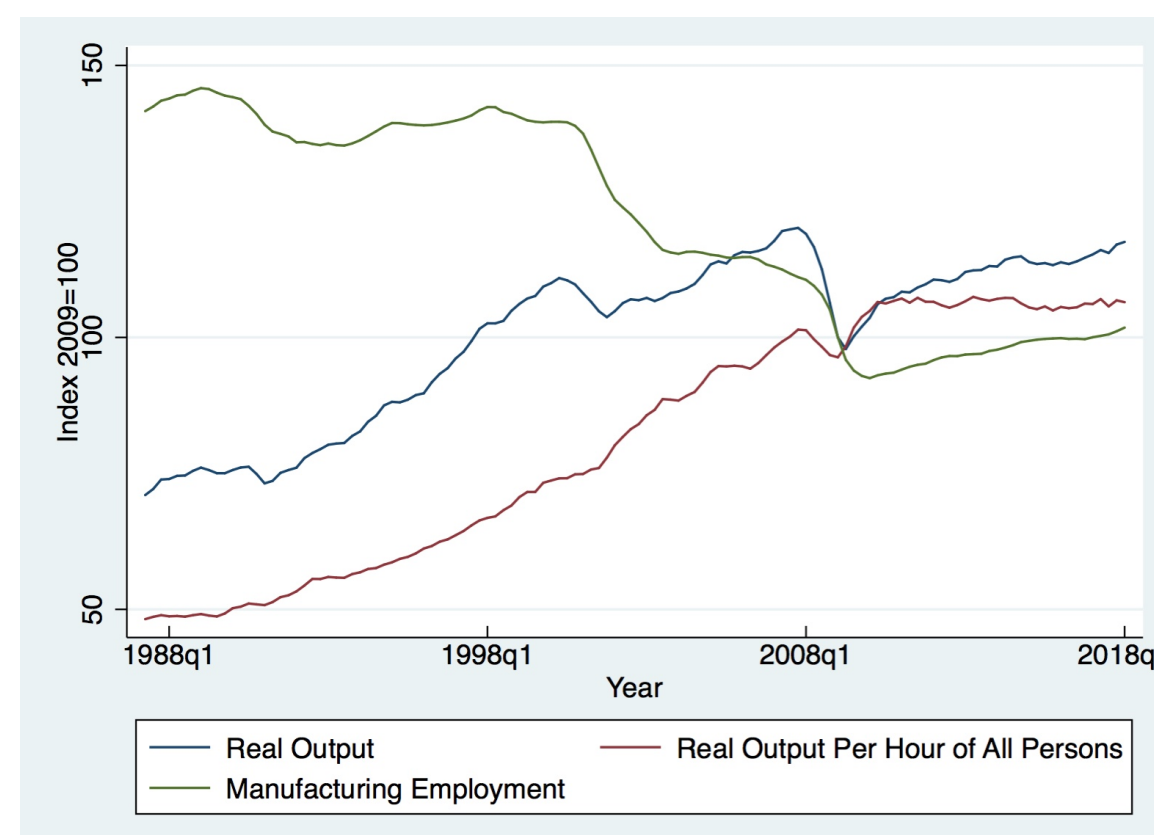
Populists believe that protectionism is the antidote.

Although populists demand protection, economists

- Find trade barriers costly and support free trade nearly unanimously.
- Show that immigrants do not depress wages (Card, 1990; Peri and Sparber, 2009; Ottaviano and Peri, 2012).
- To explain job insecurity and labor displacement, they emphasize other factors, such as, declining union penetration, and skill-biased and routine-biased technological change.
- Technology is noted as the cause of the decline in routine jobs (Beckman, Bound and Machin, 1998; Moore and Ranjan, 2005; Bresnahan, 1999; Charles, Hurst and Notowidigdo, 2013; Jaimovich and Siu, 2012; Acemoglu and Autor, 2011; Autor and Dorn; 2013; Goos, Manning and Salomons, 2014; Autor and Salomons, 2018).

Technological Change

- Decreasing manufacturing employment, but rising outputs.
- Technology makes workers more efficient. It creates new high-skilled jobs, but displaces workers who tend to be lower-skilled.
- Other sectors are affected, too. Frey and Osborne (2017): 47% of American jobs are at high risk of automation.
- E.g. Driverless cars, chatbots



Who do people blame?

Automation threat & blame attribution

- Expect workers who are exposed to automation to be more worried about their jobs
- Hold hostile views towards globalization, but not technology.

Why?

1. Politically-motivated framing by elites

- Automation threat is rarely mentioned, and sometimes denied: Clinton (6), Sanders (1), Trump (1)
- Nature of globalization makes it easy to use ingroup/outgroup rhetoric

2. Predilection for technology

- STEM is celebrated by elites and the general population (World Values Survey)
- Thelen (1991): German workers believe that technology will raise the competitiveness of their firms.

3. Visibility and intensity of media coverage

- Visible nature of offshoring might draw more intense media attention than automation. More frequent reporting heightens the political salience of issues (Margalit, 2011).

Model

- 2016 American National Elections Survey (ANES)
- Classified respondents into over 700 occupations categories using the Standard Occupational Classification system based on their descriptions of their jobs.
- Use SOC codes to link R to two measures of job automation.
- Sample includes respondents who are in the labor force

Independent variables:

- (i) Retrospective level of automation
 - O*NET Survey sponsored by the Department of Labor
 - "How automated is your job?" (0-100)
- (ii) Prospective automation risk: Susceptibility of occupation k to computerization (Frey and Osborne 2017)
 - Whether the tasks of a job can be (i) sufficiently specified, conditional on the availability of big data, and (ii) performed by state of the art computer-controlled equipment

- **Dependent variables:** (i) Job insecurity, (ii) support for free trade agreement, (iii) support for immigration restrictions, (iv) discourage outsourcing, (v) support for Federal spending on STEM.

Evidence for blame misattribution

Model (con't):

$$Y_i = \beta_0 + \beta_1 AutomationRiskPro_{ik} + \beta_2 AutomationRiskRetr_{ik} + \beta_3 ForeignBornPresent_{ij} + \beta_4 TradeEx_{ij} + \beta_5 Offshorability_{ik} + \beta_6 Z'_i + \epsilon$$

Main takeaways:

1. Workers who are more exposed to automation to be **more worried** about their jobs in the near future. Prospective: (p=.02); Retrospective: (p<.01)
2. Those threatened by future automation tend to **seek protection against immigrants and imports** but not technology.
3. **Offshoring is generally unpopular.**
4. Those who're likely to have seen automation happen in their jobs aren't more likely to blame outgroups. (It is possibly because they are aware of the source of job displacement, they are less susceptible to framing effects and are thus less likely to misattribute blame.)

Dissertation Project

- Mass opinion toward automation and globalization: Why do (some) people blame foreigners but not robots?
- Cases: United States, China, Japan, Germany



- I argue that (i) the public welcomes technological changes and tends to underestimate the individual risks posed by technology, (ii) it overestimates the extent of globalization, and (iii) when workers are poorly insulated from the disruptive effects of technology, they are more prone to lash out at immigrants and foreign workers.
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